

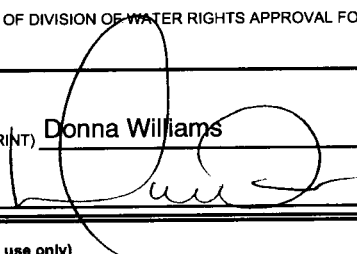
STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐
(highlight changes)

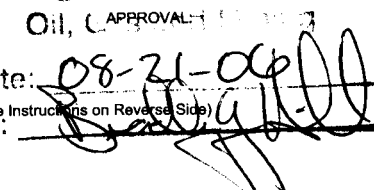
APPLICATION FOR PERMIT TO DRILL				5. MINERAL LEASE NO: ML-38665	6. SURFACE: State
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>				7. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>				8. UNIT or CA AGREEMENT NAME: Drunkards Wash UTU-67921X	
2. NAME OF OPERATOR: ConocoPhillips Company				9. WELL NAME and NUMBER: Utah 12-1163	
3. ADDRESS OF OPERATOR: P.O. Box 51810 CITY Midland STATE Tx ZIP 79710			PHONE NUMBER: (432) 688-6943		
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 2428' FSL & 505' FWL AT PROPOSED PRODUCING ZONE:				10. FIELD AND POOL, OR WILDCAT: Drunkards Wash	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 3.7 miles southwest of Price, Utah				11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 12 15S 9E	
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 505'		16. NUMBER OF ACRES IN LEASE: 920 acres		17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 160 acres	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 1400'		19. PROPOSED DEPTH: 2,605		20. BOND DESCRIPTION: Rotary	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5814.5' GR		22. APPROXIMATE DATE WORK WILL START: 7/15/2006		23. ESTIMATED DURATION:	

24. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT	
15"	12 3/4" conductor	40		
11"	8 5/8" J55 24#	400	170 sxs 'G' + 2% CaCl + 1/4 pps D29	
7 7/8"	5 1/2" N80 17#	2,595	230 sxs 50/50 Poz 8% gel+2%CaCl 10% extend 1/4 pps D29	
			90 sxs 'G' thixotropic	

25. ATTACHMENTS	
VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:	
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER	<input type="checkbox"/> COMPLETE DRILLING PLAN
<input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER	<input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER
NAME (PLEASE PRINT) Donna Williams	TITLE Sr. Regulatory Analyst
SIGNATURE 	DATE 5/30/06

(This space for State use only)

API NUMBER ASSIGNED: 43-007-31199

Approved by the
Utah Division of
Oil, GAS AND MINING
Date: 08-21-06
By: 

JUN 01 2006

Township 15 South

Range 9 East

N89°48'54"E - 5201.35'

(N89°17'W - 2670.36')

(N89°38'W - 2529.78')

ELEV. 5822.0'

12

505.21'

UTAH #12-1163
ELEV. 5814.5'

UTM
N 4375908
E 511216

2427.52'

(N89°49'W - 2646.60')

(N89°13'W - 2579.28')

N89°30'46"W - 5229.02'

Legend

- Drill Hole Location
- ⊙ Metal Cap (Found)
- Brass Cap (Searched for, but not found)
- △ Calculated Corner
- () GLO
- GPS Measured

NOTES:

1. UTM and Latitude / Longitude Coordinates are derived using a GPS Pathfinder and are shown in NAD 27 Datum.

LAT / LONG
39°32'04.707"N
110°52'10.157"W

Location:

The well location was determined using a Trimble 5700 GPS survey grade unit.

Basis of Bearing:

The Basis of Bearing is GPS Measured.

GLO Bearing:

The Bearings indicated are per the recorded plat obtained from the U.S. Land Office.

Basis of Elevation:

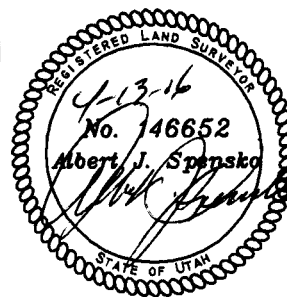
Basis of Elevation of 5822' being at the Northeast Section Corner of Section 12, Township 15 South, Range 9 East, Salt Lake Base and Meridian, as shown on the Price Quadrangle 7.5 minute series map.

Description of Location:

Proposed Drill Hole located in the NW/4 SW/4 of Section 12, T15S, R9E, S.L.B.&M., being 2427.52' North and 505.21' East from the Southwest Section Corner of Section 12, T15S, R9E, Salt Lake Base & Meridian.

Surveyor's Certificate:

I, Albert J. Spensko, a Registered Professional Land Surveyor, holding Certificate 146652 State of Utah, do hereby certify that the information on this drawing is a true and accurate survey based on data of record and was conducted under my personal direction and supervision as shown hereon.



TALON RESOURCES, INC

195 North 100 West P.O. Box 1230
Huntington, Utah 84528

Phone (435)687-5310 Fax (435)687-5311
E-Mail talon@ctv.net

ConocoPhillips Company

WELL UTAH #12-1163
Section 12, T15S, R9E, S.L.B.&M.
Carbon County, Utah

Drawn By: N. BUTKOVICH	Checked By: L.W.J./A.J.S.
Drawing No. A-1	Date: 4/7/06
	Scale: 1" = 1000'
Sheet 1 of 4	Job No. 2355

GRAPHIC SCALE

0 500' 1000'
(IN FEET)
1 inch = 1000 ft.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
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FORM 3

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14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 3.7 miles southwest of Price, Utah				12. COUNTY: Carbon	13. STATE: UTAH
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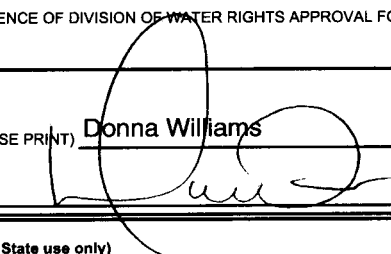
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- | | |
|--|--|
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NAME (PLEASE PRINT) <u>Donna Williams</u>	TITLE <u>Sr. Regulatory Analyst</u>
SIGNATURE <u></u>	DATE <u>5/30/06</u>

(This space for State use only)

API NUMBER ASSIGNED: 43-007-31199

APPROVAL:

JUN 01 2006

Township 15 South

Range 9 East

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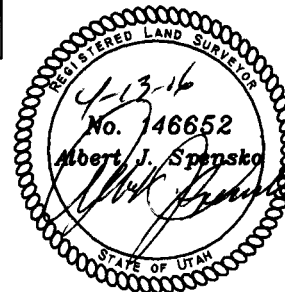
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(IN FEET)
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NOTES:

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Legend

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ConocoPhillips Company

WELL UTAH #12-1163

Section 12, T15S, R9E, S.L.B.&M.

Carbon County, Utah

Drawn By: N. BUTKOVICH	Checked By: L.W.J./A.J.S.
Drawing No. A-1	Date: 4/7/06
	Scale: 1" = 1000'
Sheet 1 of 4	Job No. 2355

EXHIBIT "D"
DRILLING PROGRAM

Attached to Form 3
ConocoPhillips Company
Utah 12-1163
NW/4, SW/4, Sec.12, T15S, R9E, SLB & M
2428' FSL, 505' FWL
Carbon County, Utah

1. The Surface Geologic Formation

Mancos Shale

2. Estimated Tops of Important Geologic Markers

Blue Gate/Ferron 1,961'

3. Projected Gas & H2O zones (Ferron Formation)

Coals and sandstones 2,143' – 2,250'

No groundwater is expected to be encountered.

Casing & cementing will be done to protect potentially productive hydrocarbons, lost circulation zones, abnormal pressure zones, and prospectively valuable mineral deposits.

All indications of usable water will be reported.

Surface casing will be tested to 500 psi and Production casing tested to 1500 psi with a minimum of 1 psi/ft of the last casing string depth

4. The Proposed Casing and Cementing Programs

Hole Size	Casing Size	Wt/Ft	Grade	Joint	Depth set
14 3/4"	12 3/4"	40.5	H-40	ST&C	0-50'
11"	8 5/8"	24.0	J-55	ST&C	0-400'
7 7/8"	5 1/2"	17.0	N-80	LT&C	<u>0-2,595'</u>

Cementing Program

The 8 5/8" surface casing will be set with approximately ■ sacks Class G or Type V cement with 2% CaCl_2 mixed at 15.6 ppg (yield = $1.18 \text{ ft}^3/\text{sx}$). The cement will be circulated back to surface with 100% excess.

The 5 1/2" production casing will be set and cemented using a two stage cementing process. This entails setting casing to total TD and running a DV tool to approximately 300' of the top of the Ferron.

The 1st Stage of cement will then be pumped to approximately 50' from the DV tool. After cement is pumped, the cement cap will be removed and a wiper plug installed. The cement cap will then be screwed back on and a wiper plug will be displaced to TD. The cement cap will be removed and the DV tool bomb will be dropped followed by the 2nd Stage wiper plug. (This is done to open the DV tool and establish circulation.) Once circulation is established, circulation will continue at approximately 1 bpm for 4 hours while waiting on cement (WOC). WOC at a minimum of 4 hours before beginning 2nd stage cement job. After the 2nd Stage has been pumped, a top wiper plug will be dropped and displaced with water (or water spacer and mud). Shut in well and WOC.

The 5 1/2" production casing will be set with approximately ■ sacks of Standard Cement, 10% Cal Seal 60 (accelerator), 1% Calcium Chloride (accelerator), 1/4 lbm/sk Flocele (lost circulation additive) with a yield of $1.61 \text{ ft}^3/\text{sx}$ at 14.2 ppg; calculated with an excess of 35% for the 1st Stage. For the 2nd stage, approximately ■ sx of 50/50 POZ Premium cement, 8% Bentonite (light weight additive), 10% Cal Seal 60 (accelerator), 1/4 lbm/sk Flocele (lost circulation additive) with a yield of $1.98 \text{ ft}^3/\text{sx}$ at 12.5 ppg; calculated with an excess of 30% for the 2nd Stage.

The above cement volumes are approximate and are calculated under the assumption that a gauge hole will be achieved. If the cement does not return to surface, a cement bond log will be run to determine the top of cement. In the case where the cement is below the surface casing shoe, the casing will be perforated and squeeze cemented to the surface. If the cement is above the surface casing shoe, cement will be one-inched to the surface.

The following shall be entered in the driller's log:

- 1) Blowout preventer pressure tests, including test pressures and results;
- 2) Blowout preventer tests for proper functioning;
- 3) Blowout prevention drills conducted;
- 4) Casing run, including size, grade, weight, and depth set;
- 5) How the pipe was cemented, including amount of cement, type, whether cement circulated, location of the cementing tools, etc.;
- 6) Waiting on cement time for each casing string;
- 7) Casing pressure tests after cementing, including test pressures and results.

5. The Operator's Minimum Specifications for Pressure Control

Exhibit "G" is a schematic diagram of the blowout preventer equipment. A double gate 3000 psi BOPE will be used with a rotating head. This equipment will be tested to 2000 psi. All tests will be recorded in a Driller's Report Book. Physical operation of BOP's will be checked on each trip.

6. The Type and Characteristics of the Proposed Circulating Muds

0-400	11" hole	Drill with air, will mud-up if necessary.
400-TD	7 7/8" hole	Drill with air, will mud-up if necessary. 400 psi @ 1400-1600 cfm

7. The Testing, Logging and Coring Programs are as followed

400-TD Gamma Ray, Neutron Porosity, CBL

Any Anticipated Abnormal Pressures or Temperatures

No abnormal pressures or temperatures have been noted or reported in wells drilled in the area nor at the depths anticipated in this well. Bottom hole pressure expected is about 1,126 psi max., however due to offset production pressures may be much lower. No hydrogen sulfide or other hazardous gases or fluids have been found, reported or are known to exist at these depths in the area.

8. Anticipated Starting Date and Duration of the Operations.

The well will be drilled around July 15, 2006

Verbal and/or written notifications listed below shall be submitted in accordance with instructions from the Division of Oil, Gas & Mining:

- (a) prior to beginning construction;
- (b) prior to spudding;
- (c) prior to running any casing or BOP tests;
- (d) prior to plugging the well, for verbal plugging instructions.

Spills, blowouts, fires, leaks, accidents or other unusual occurrences shall be reported to the Division of Oil, Gas & Mining immediately.

SURFACE USE PLAN

Attached to Form 3
ConocoPhillips Company
Utah 12-1163
NW/4, SW/4, Sec. 12, T15S, R9E, SLB&M
2428' FSL, 505' FWL
Carbon County, Utah

1. Existing Roads

- a. We do not plan to change, alter or improve upon any existing state or county roads.
- b. Existing roads will be maintained in the same or better condition. See Exhibit "B".

2. Planned Access

Approximately 1,400' of new access is required (Refer to Drawing L-1)

- a. Maximum Width: 24' travel surface with 27' base
- b. Maximum grade: 7%
- c. Turnouts: None
- d. Drainage design: 2 culverts may be required. Water will be diverted around well pad as necessary.
- e. If the well is productive, the road will be surfaced and maintained as necessary to prevent soil erosion and accommodate year-round traffic.
- f. Pipe and power lines will follow the proposed access road.

3. Location of Existing Wells

- a. Refer to Drawing L-1.

4. Location of Existing and/or Proposed Facilities

- a. If the well is a producer, installation of production facilities will be as shown on Exhibit "H". Buried powerlines run along access on the east and north, gathering lines on the south or west.
- b. Rehabilitation of all pad areas not used for production facilities will be made in

accordance with landowner stipulations.

5. Location and Type of Water Supply

- a. Water to be used for drilling will be purchased from the Price River Water Improvement District (a local source of municipal water) (tel. 435-637-6350).
- b. Water will be transported by truck over approved access roads.
- c. No water well is to be drilled for this location.

6. Source of Construction Materials

- a. Any necessary construction materials needed will be obtained locally and hauled to the location on existing roads.
- b. No construction or surfacing materials will be taken from Federal/Indian land.

7. Methods for handling waste disposal

- a. As the well will be air drilled, a small reserve pit will be constructed with a minimum of one-half the total depth below the original ground surface on the lowest point within the pit. The pit will not be lined unless conditions encountered during construction warrant it or if deemed necessary by the DOGM representative during the pre-site inspection. Three sides of the reserve pit will be fenced within 24 hours after completion of construction and the fourth side within 24 hours after drilling operation cease with woven wire topped with barbed wire to a height of not less than four feet. The fence will be kept in good repair while the pit is drying.
- b. Following drilling, the liquid waste will be evaporated from the pit and the pit back-filled and returned to natural grade. No liquid hydrocarbons will be discharged to the reserve pit or location.
- c. In the event fluids are produced, any oil will be retained in tankage until sold and any water produced will be retained until its quality can be determined. The quality and quantity of the water will determine the method of disposal.
- d. Trash will be contained in a portable metal container and will be hauled from location periodically and disposed of at an approved disposal site. Chemical toilets will be placed on location and sewage will be disposed of at an appropriate disposal site.

8. Ancillary Facilities

- a. We anticipate no need for ancillary facilities with the exception of one trailer to be located on the drill site.

9. Wellsite Layout

- a. Available topsoil will be removed from the location and stockpiled. Location of mud tanks, reserve and berm pits, and soil stockpiles will be located as shown on the attachments.
- b. A blooie pit will be located 100' from the drill hole. A line will be placed on the surface from the center hole to the pit. The pit will not be lined, but will be fenced on four sides to protect livestock/wildlife.
- c. Access to the well pad will be as shown on Drawing A-2 and L-1.
- d. Natural runoff will be diverted around the well pad.

10. Plans for Restoration of Surface

- a. All surface areas not required for producing operations will be graded to as near original condition as possible and contoured to maintain possible erosion to a minimum.
- b. Available topsoil will be stockpiled and will be evenly distributed over the disturbed areas and the area will be reseeded as prescribed by the landowner.
- c. Pits and any other area that would present a hazard to wildlife or livestock will be fenced off when the rig is released and removed.

11. Surface Ownership:

- a. The wellsite and access road will be constructed on lands owned by the School and Institutional Trust Lands Administration. The operator shall contact the landowner representative and the Division of Oil, Gas and mining 48 hours prior to beginning construction activities.

12. **Other Information:**

- a. The primary surface use is farming and grazing. The nearest dwelling is approximately 18,000 feet northeast.
- b. Nearest live water is the Miller Creek located 8,500' south.
- c. If there is snow on the ground when construction begins, it will be removed before the soil is disturbed and piled downhill from the topsoil stockpile location.
- d. The backslope and foreslope will be constructed no steeper than 4:1.
- e. All equipment and vehicles will be confined to the access road and well pad.
- f. A complete copy of the approved Application for Permit to Drill (APD) including conditions and stipulations, shall be on the wellsite during construction and drilling operations.

There will be no deviation from the proposed drilling and/or workover program without prior approval from the Division of Oil, Gas & Mining.

13. Company Representative

Jean Semborski
Construction/Asset Integrity Supervisor
ConocoPhillips Company
P.O. Box 851
6825 South 5300 West
Price, Utah 84501
(435) 613-9777
(435) 820-9807

Mail Approved A.P.D. To:

Donna Williams
Sr. Regulatory Analyst
ConocoPhillips Company
P.O. Box 51810
Midland, Texas 79710

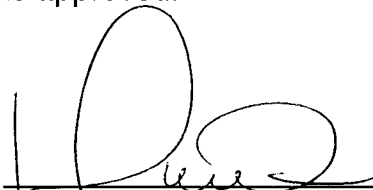
Excavation Contractor

Larry Jensen, Vice President
Nelco Contractors Inc.
Vice President
(435) 637-3495
(435) 636-5268

14. Certification

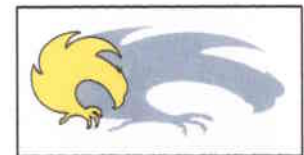
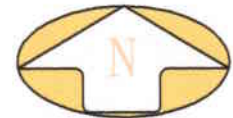
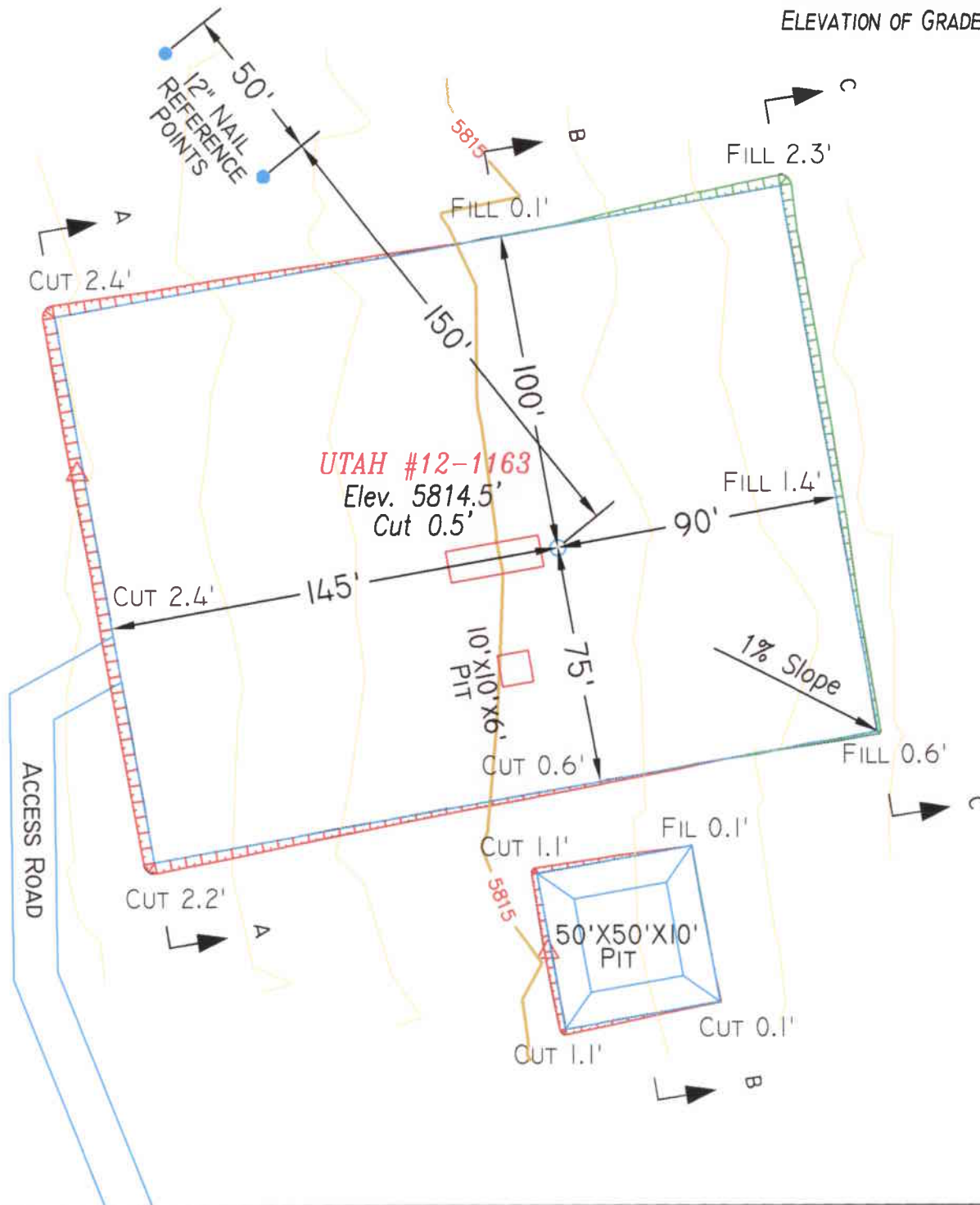
I hereby certify that I, or persons under my direct supervision have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct, and that the work associated with the operations proposed herein will be performed by ConocoPhillips Company and its subcontractors in conformity with this plan and the terms and conditions under which it is approved.

5/30/04
Date


Donna Williams
Sr. Regulatory Analyst
ConocoPhillips Company

ELEVATION OF UNGRADED GROUND AT LOCATION STAKE = 5814.5'

ELEVATION OF GRADED GROUND AT LOCATION STAKE = 5814.0'



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195 North 100 West P.O. Box 1230

Huntington, Utah 84528

Phone (435)687-5310 Fax (435)687-5311

E-Mail talonaetv.net

ConocoPhillips Company

LOCATION LAYOUT Section 12, T15S, R9E, S.L.B.&M. WELL UTAH #12-1163

Drawn By:
N. BUTKOVICH

Drawing No.

A-2

Sheet 2 of 4

Checked By:
L.W.J.

Date:

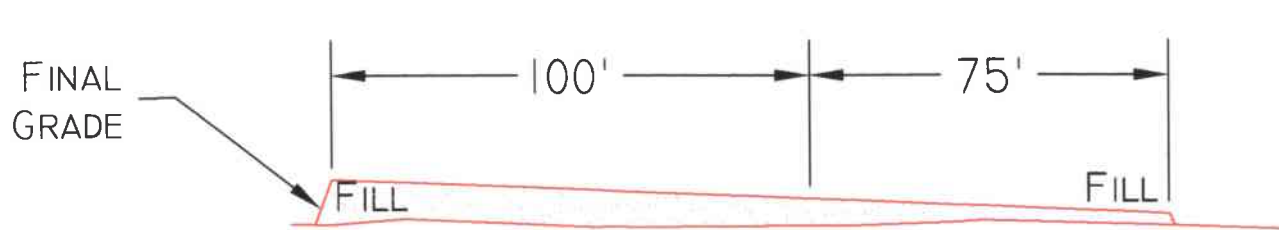
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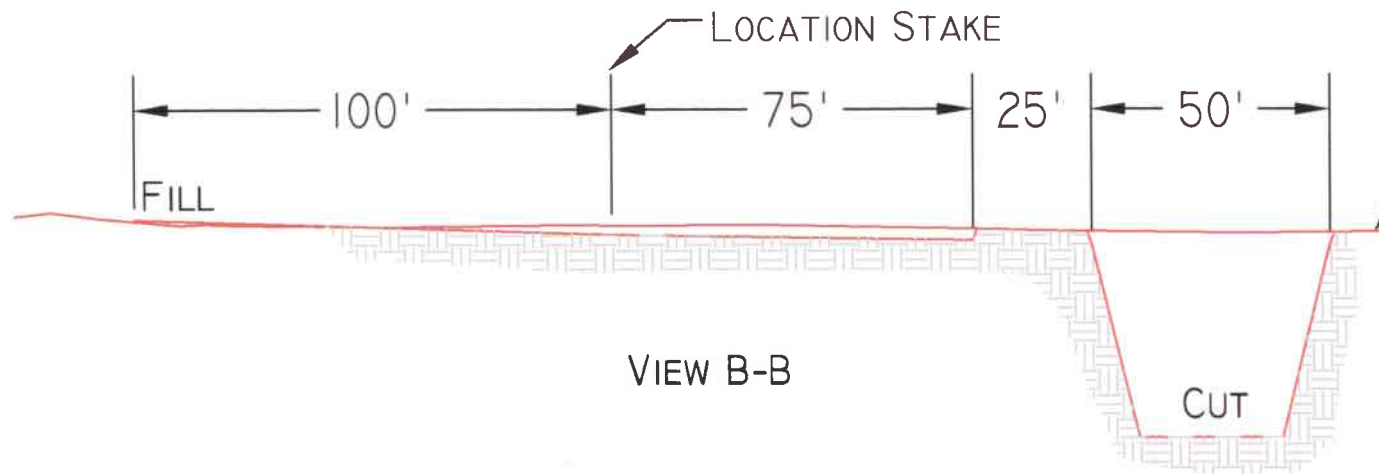
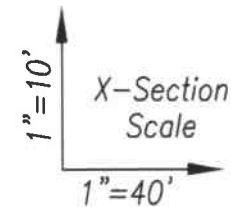
1" = 50'

Job No.

2355



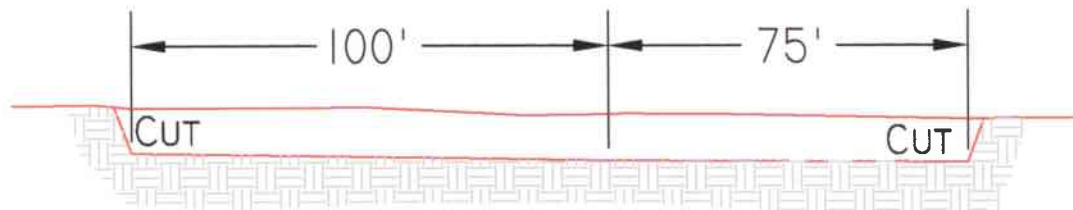
VIEW C-C



VIEW B-B

PRECONSTRUCTION GRADE

SLOPE = 1 1/2 : 1
(EXCEPT PIT)
PIT SLOPE = 1 : 1



VIEW A-A

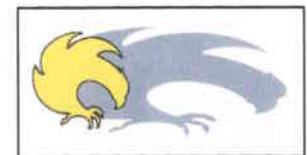
APPROXIMATE YARDAGES

CUT

(6") TOPSOIL STRIPPING = 810 CU. YDS.

TOTAL CUT (INCLUDING PIT) = 2,055 CU. YDS.

TOTAL FILL = 330 CU. YDS.



TALON RESOURCES, INC.

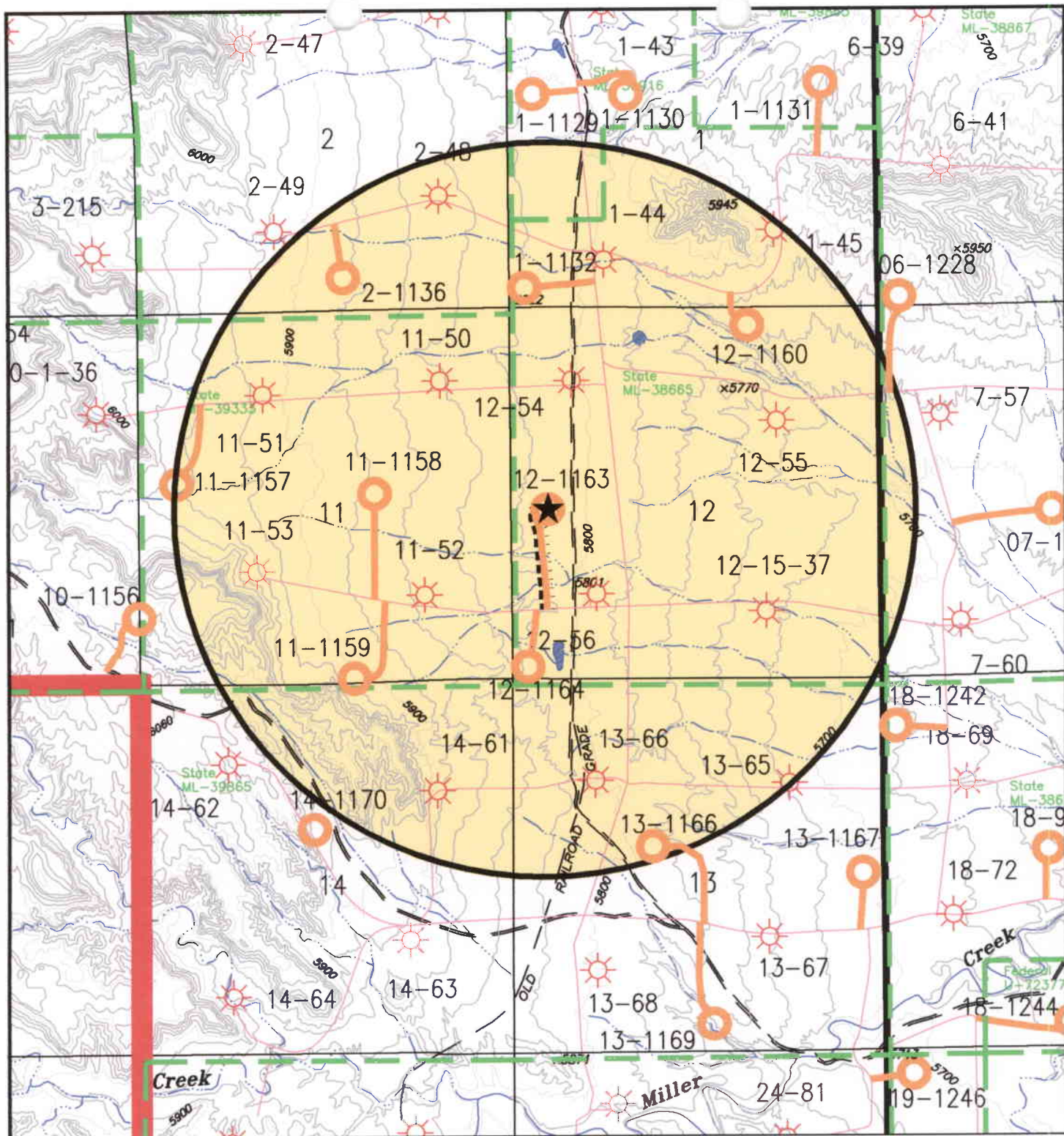
195 North 100 West P.O. Box 1230
Huntington, Utah 84528

Phone (435)687-5310 Fax (435)687-5311
E-Mail talonsetv.net

ConocoPhillips Company

TYPICAL CROSS SECTION
Section 12, T15S, R9E, S.L.B.&M.
WELL UTAH #12-1163

Drawn By: N. BUTKOVICH	Checked By: L.W.J.
Drawing No. C-1	Date: 4/28/06
	Scale: 1" = 40'
Sheet 3 of 4	Job No. 2355



LEGEND

Proposed Well Location:
 Other Proposed Well Locations:
 Proposed Powerline:
 Proposed Pipeline:
 Proposed Roads:
 Lease Boundary:
 Existing Wells:



Scale: 1" = 2000'

April 4, 2006

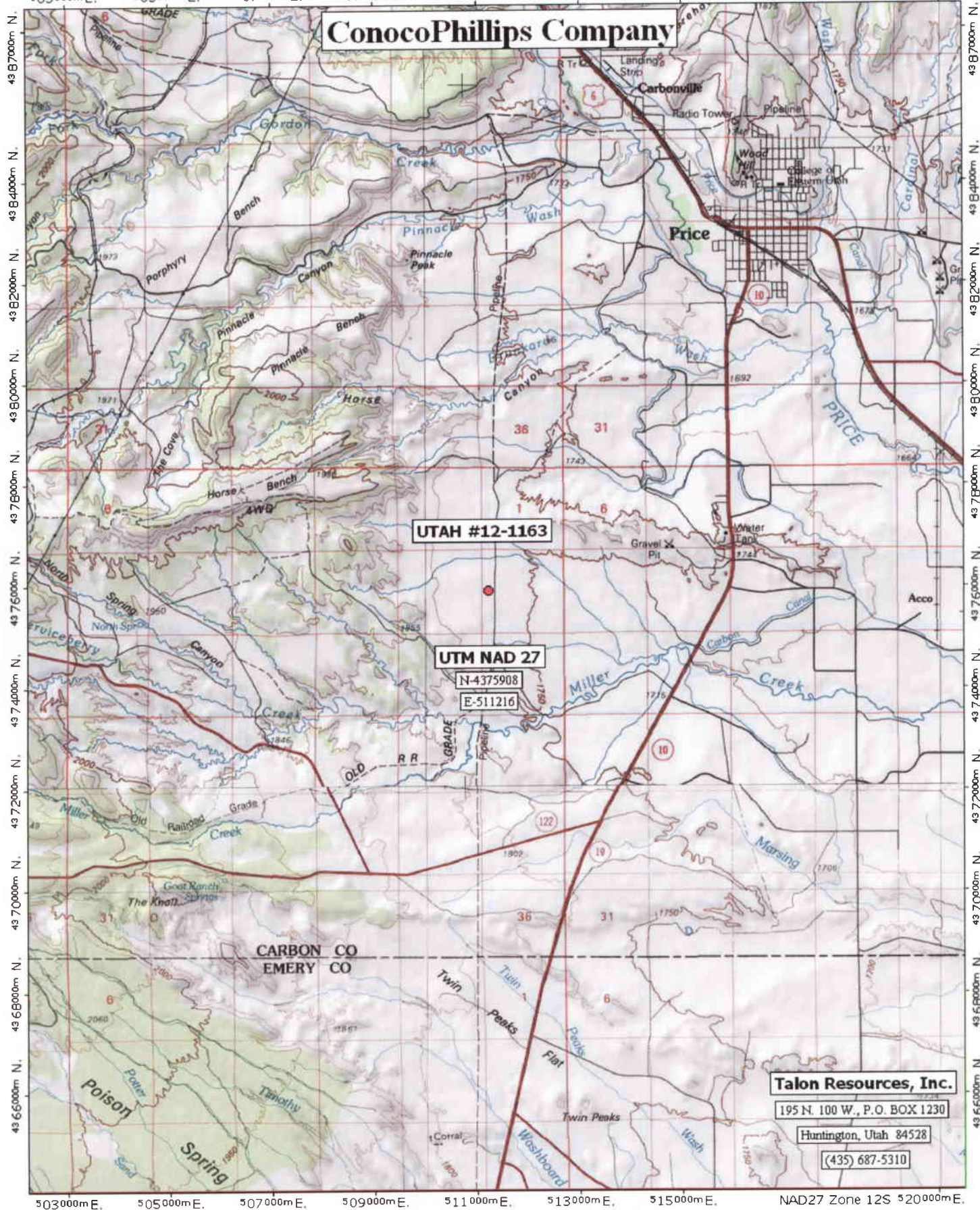
ConocoPhillips Company

6825 South 5300 West
 P.O. Box 851
 Price, Utah 84501
 Phone: (435) 613-9777
 Fax: (435) 613-9782


**ConocoPhillips
Company**

WELL UTAH #12-1163
Section 12, T15S, R9E, S.L.B.&M.
Drawing L-1 4 of 4

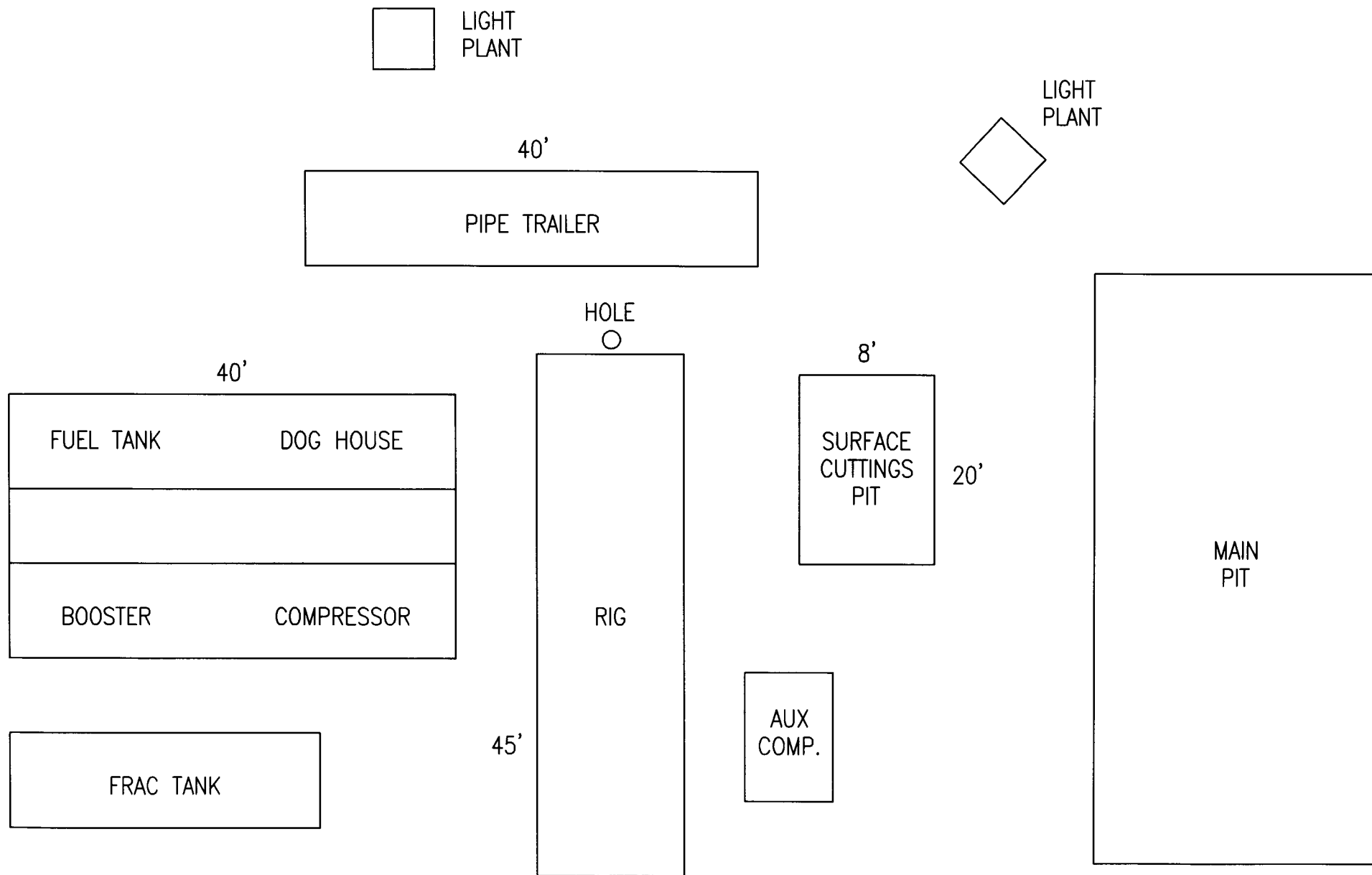
503000m E. 505000m E. 507000m E. 509000m E. 511000m E. 513000m E. 515000m E. NAD27 Zone 12S 520000m E.



503000m E. 505000m E. 507000m E. 509000m E. 511000m E. 513000m E. 515000m E. NAD27 Zone 12S 520000m E.

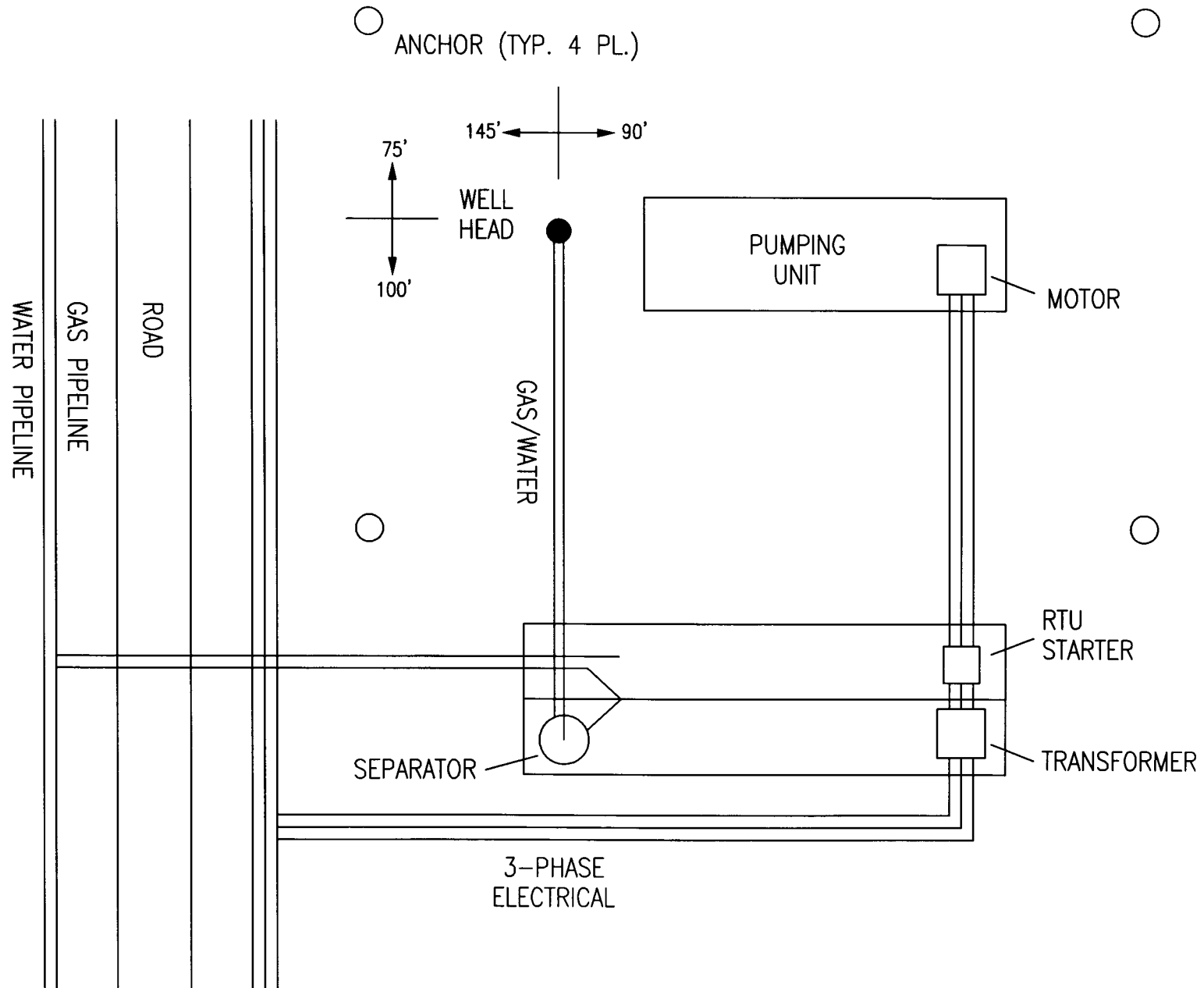
TN * MN
12°

APPROXIMATE LAYOUT OF RIG & EQUIPMENT

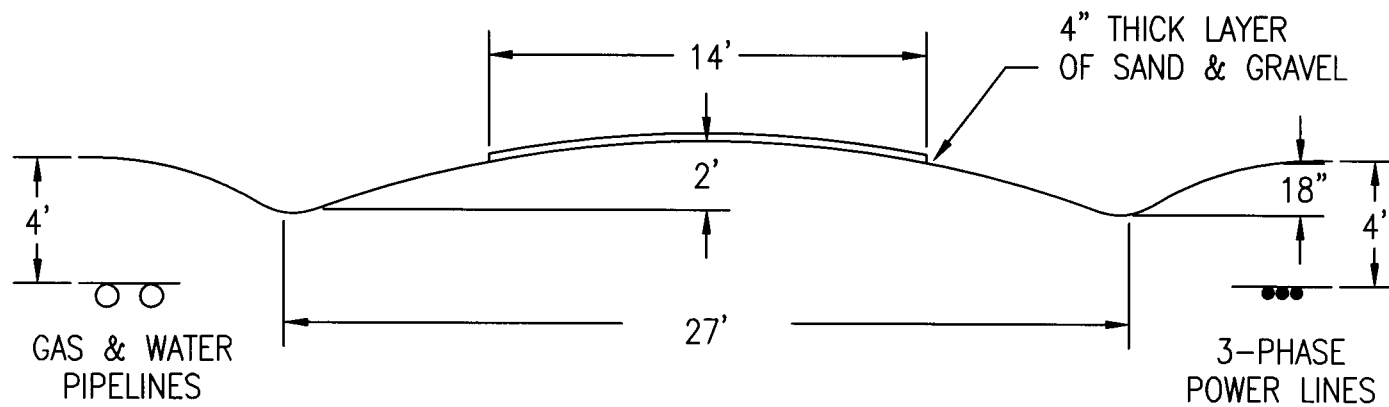


CONOCOPHILLIPS COMPANY

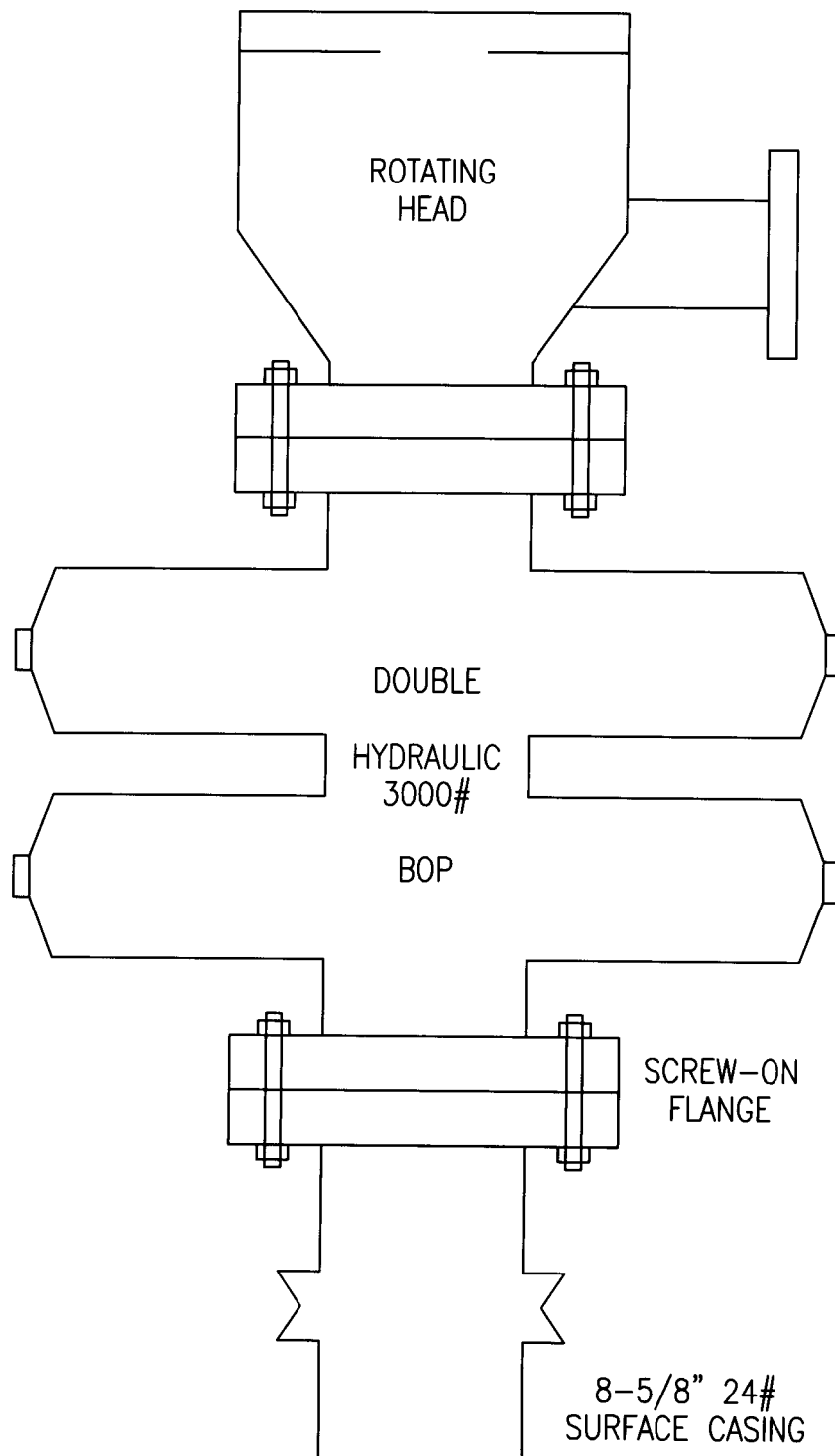
WELL SITE LAYOUT (235' x 175')



TYPICAL ROAD CROSS-SECTION
CONOCOPHILLIPS COMPANY



DIVERTER HEAD
CONOCOPHILLIPS COMPANY

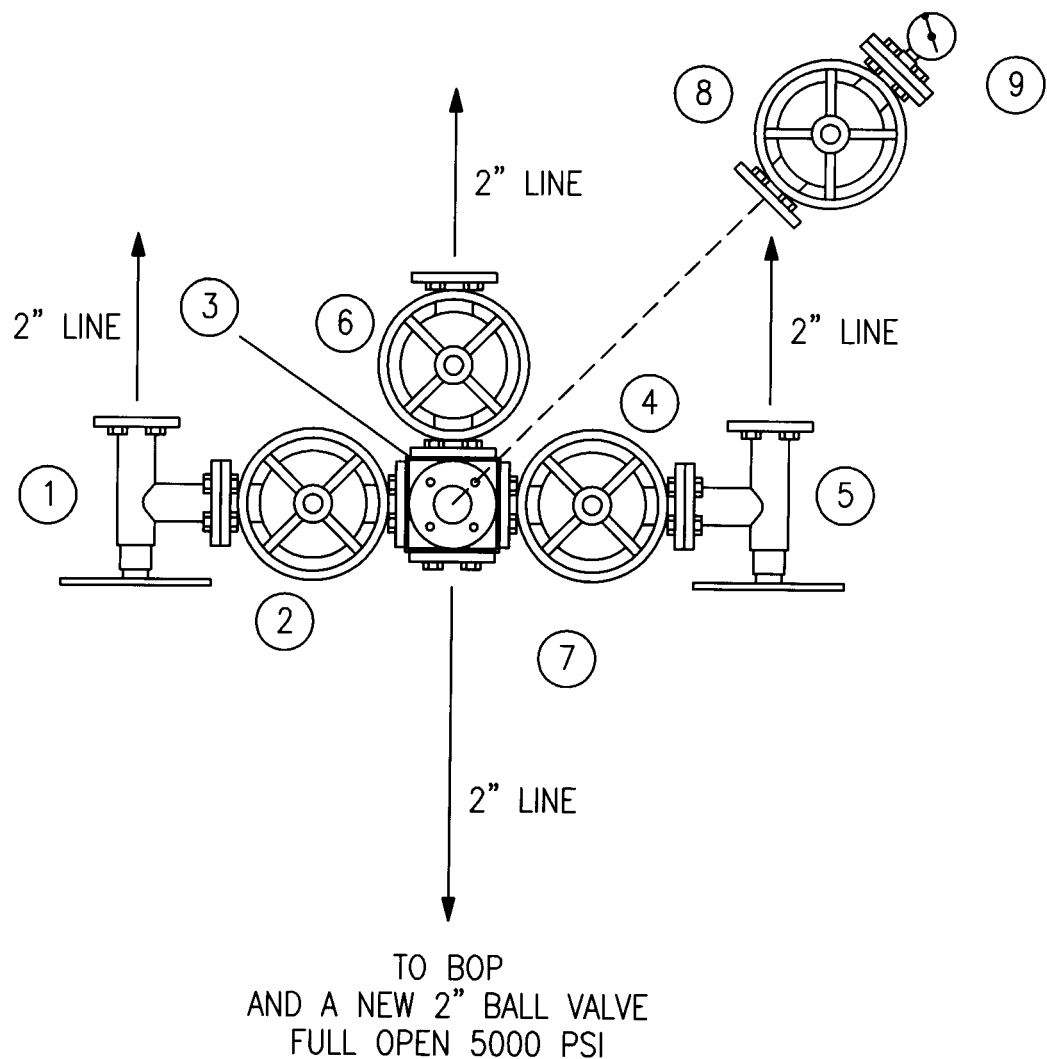


CUNOCOPHILLIPS COMPANY

- (1) 2" 5M FLANGED CHOKE
- (2) 2" 5M GATE VALVE (FLANGED)
- (3) 2" 5M STUDDED CROSS
- (4) 2" 5M GATE VALVE (FLANGED)
- (5) 2" 5M FLANGED CHOKE
- (6) 2" 5M GATE VALVE (FLANGED)
- (7) 2" LINE
- (8) 2" 5M GATE VALVE (FLANGED)
- (9) 3000# GAUGE

NOTE:

NUMBER 8 GATE VALVE SITS ON TOP OF MANIFOLD BETWEEN STUDDED CROSS AND 3000# GAUGE.



MANIFOLD

EXHIBIT H

Bond No. 6196922

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 4A

SURETY BOND

KNOW ALL MEN BY THESE PRESENTS:

That we (operator name) CONOCOPHILLIPS COMPANY as Principal,
and

(surety name) SAFECO INSURANCE COMPANY OF AMERICA as Surety, duly authorized
and qualified to do business in the State of Utah, are held and firmly bound unto the State of Utah in the sum of:

EIGHTY THOUSAND AND NO/100***** dollars (\$ 80,000.00)
lawful money of the United States, payable to the Director of the Division of Oil, Gas and Mining, as agent of the State of Utah, for the use and
benefit of the State of Utah for the faithful payment of which we bind ourselves, our heirs, executors, administrators and successors, jointly and
severally by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT, WHEREAS the Principal is or will be engaged in the drilling, redrilling, deepening,
repairing, operating, and plugging and abandonment of a well or wells and restoring the well site or sites in the State of Utah for the purposes of
oil or gas production and/or the injection and disposal of fluids in connection therewith for the following described land or well:

X Blanket Bond: To cover all wells drilled in the State of Utah

Individual Bond: Well No: _____
Section: _____ Township: _____ Range: _____
County: _____, Utah

NOW, THEREFORE, if the above bounden Principal shall comply with all the provisions of the laws of the State of Utah and the rules, orders and
requirements of the Board of Oil, Gas and Mining of the State of Utah, including, but not limited to the proper plugging and abandonment of wells
and well site restoration, then this obligation is void; otherwise, the same shall be and remain in full force and effect.

IN TESTIMONY WHEREOF, said Principal has hereunto subscribed its name and has caused this instrument to be signed by its duly authorized
officers and its corporate or notary seal to be affixed this

30th day of Dec, 20 02.

(Corporate or Notary Seal here)
Attestee: [Signature] Date: 12-30-02

CONOCOPHILLIPS COMPANY
Principal (company name)
By James F. Hughes Title Corporate Insurance Manager
Name (print) Signature
James F. Hughes

IN TESTIMONY WHEREOF, said Surety has caused this instrument to be signed by its duly authorized officers and its corporate or notary seal
to be affixed this

1ST day of JANUARY, 20 03.

(Corporate or Notary Seal here)
Carolyn E. Wheeler
Attestee: [Signature] Date: 12/20/2002

SAFECO INSURANCE COMPANY OF AMERICA
Surety Company (Attach Power of Attorney)
By Jina Marie Foster Title ATTORNEY-IN-FACT
Name (print) Signature
Jina Marie
GVD MARSH USA, INC.
Surety Mailing Address
P.O. BOX 36012 KNOXVILLE TN 37930-6012
City State Zip

CAROLYN E. WHEELER
NOTARY PUBLIC
MY COMMISSION EXPIRES: NOVEMBER 1, 2006
(5/2002)

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 06/01/2006

API NO. ASSIGNED: 43-007-31199

WELL NAME: UTAH 12-1163

OPERATOR: CONOCOPHILLIPS COMPANY (N2335)

CONTACT: DONNA WILLIAMS

PHONE NUMBER: 432-688-6943

PROPOSED LOCATION:

NWSW 12 150S 090E

SURFACE: 2428 FSL 0505 FWL

BOTTOM: 2428 FSL 0505 FWL

COUNTY: CARBON

LATITUDE: 39.53457 LONGITUDE: -110.8693

UTM SURF EASTINGS: 511229 NORTHINGS: 4375900

FIELD NAME: DRUNKARDS WASH (48)

INSPECT LOCATN BY: / /

Tech Review

Initials

Date

Engineering

DRD

8/21/06

Geology

Surface

LEASE TYPE: 3 - State

LEASE NUMBER: ML-38665

SURFACE OWNER: 3 - State

PROPOSED FORMATION: FRSD

COALBED METHANE WELL? YES

RECEIVED AND/OR REVIEWED:

☒ Plat
☒ Bond: Fed[] Ind[] Sta[] Fee[]
(No. 6196922)
☒ Potash (Y/N)
☒ Oil Shale 190-5 (B) or 190-3 or 190-13
☒ Water Permit
(No. MUNICIPAL)
☒ RDCC Review (Y/N)
(Date:)
☒ Fee Surf Agreement (Y/N)
☒ Intent to Commingle (Y/N)

LOCATION AND SITING:

☐ R649-2-3.
Unit: DRUNKARDS WASH
☐ R649-3-2. General
Siting: 460' From Qtr/Qtr & 920' Between Wells
☐ R649-3-3. Exception
☒ Drilling Unit
Board Cause No: 243-2
Eff Date: 7-13-1994
Siting: 460' fr u b d r & unknown tracts
☐ R649-3-11. Directional Drill

COMMENTS:

Needs Pres 6 (7-26-06)

STIPULATIONS:

1- STATEMENT OF BASIS

T14S R9E

T15S R9E

T14S R10E

T15S R10E

UTAH 2-46

UTAH F-43

UTAH F-42

UTAH 6-39

UTAH 2-47

UTAH F-1129

UTAH F-1130

UTAH F-1131

2

1

DRUNKARDS WASH UNIT DRUNKARDS WASH FIELD

CAUSE: 243-2 / 7-13-1999

UTAH 2-48

UTAH F-45

UTAH 2-49

UTAH F-44

UTAH 2-1136

UTAH F-1132

UTAH 12-1160

UTAH 6-1228

UTAH 11-51

UTAH 11-50

UTAH 12-54

UTAH D8

UTAH 12-55

UTAH

UTAH 11-1157

UTAH 11-1158

UTAH 12-1163

12

UTAH 11-53

UTAH 11-52

UTAH 12-56

UTAH 12-15-37

UT

UTAH 11-1159

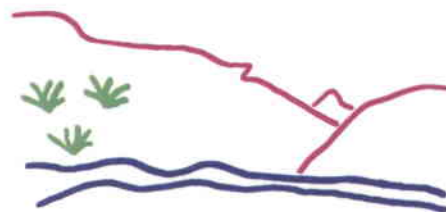
OPERATOR: CONOCOPHILLIPS CO (N2335)

SEC: 1,2,12 T. 15S R. 9E

FIELD: DRUNKARDS WASH (48)

COUNTY: CARBON

CAUSE: 243-2 / 7-13-1999



Utah Oil Gas and Mining

Field Status

- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED

Unit Status

- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Wells Status

- GAS INJECTION
- GAS STORAGE
- LOCATION ABANDONED
- NEW LOCATION
- PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- TEMP. ABANDONED
- TEST WELL
- WATER INJECTION
- WATER SUPPLY
- WATER DISPOSAL
- DRILLING



PREPARED BY: DIANA WHITNEY
DATE: 6-JUNE-2006

DIVISION OF OIL, GAS AND MINING
APPLICATION FOR PERMIT TO DRILL
STATEMENT OF BASIS

OPERATOR: ConocoPhillips Company
WELL NAME & NUMBER: Utah 12-1163
API NUMBER: 43-007-31199
LOCATION: 1/4, 1/4 NWSW Sec: 12 TWP: 15 S RNG: 9 E 2428 FSL 505 FWL

Geology/Ground Water:

A poorly to moderately permeable soil is most likely developed on the Quaternary Slope-wash deposits covering the Upper part of the Blue Gate Member of the Mancos Shale. The proposed casing and cement will adequately isolate any shallow zones containing water. No aquifers with high quality ground water are likely to be encountered. The proposed casing and cement program will adequately isolate any water-bearing strata. Within a mile of the location numerous underground water rights have been filed but only by the Operator for produced CBM water.

Reviewer: Christopher J. Kierst **Date:** 8/8/2006

Surface:

Proposed location is ~3.7 miles southwest of Price, Utah near 4-mile hill. Dry washes and gullies are prominent in the area. The current surface use of the immediate area surrounding the proposed well is grazing and wildlife habitat. Access to this well will be along existing ConocoPhillips gas field roads and County maintained roads. The direct area drains to the east, into a dry wash tributary of Miller Creek, then further east eventually into the Price River, a year-round live water source. This well is part of the "infield" drilling program of ConocoPhillips, located within the unit boundaries. 21 producing, shut-in, SWD, and/or PA wells are within a 1-mile radius of the above proposed well. Location layout, current surface status and characteristics, planned disturbances, access and utility route, and the reserve pit characteristics were all discussed. M. Jones (DOGM), Corey Wilcox, and Donna Williams (ConocoPhillips), Larry Johnson (TALON), Jim Davis (SITLA), and Bus Rich (NELCO) were in attendance. DWR and Carbon County were invited but chose not to attend.

Reviewer: Mark L. Jones

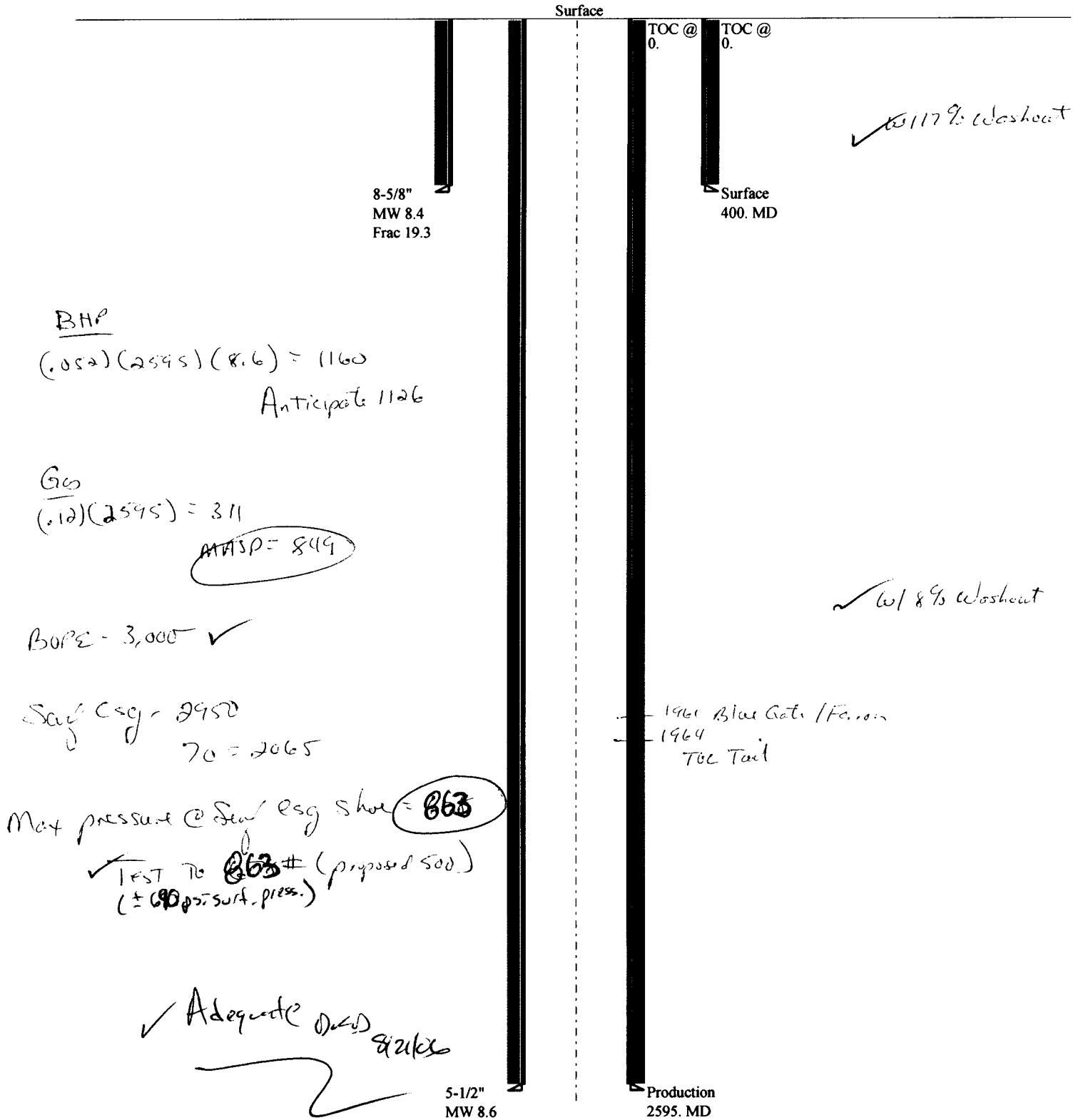
Date: July 27, 2006

Conditions of Approval/Application for Permit to Drill:

None.

08-06 ConocoPhillips Utah 12-1163

Casing Schematic



Well name:

08-06 ConocoPhillips Utah 12-1163Operator: **ConocoPhillips Company**String type: **Surface**

Project ID:

43-007-31199

Location: **Carbon County****Design parameters:****Collapse**Mud weight: 8.400 ppg
Design is based on evacuated pipe.**Minimum design factors:****Collapse:**

Design factor 1.125

Burst:

Design factor 1.00

Environment:H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 71 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 250 ft

Cement top: Surface

BurstMax anticipated surface
pressure: 352 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 400 psi

No backup mud specified.

Tension:8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)Tension is based on buoyed weight.
Neutral point: 349 ft

Non-directional string.

Re subsequent strings:Next setting depth: 2,595 ft
Next mud weight: 8.600 ppg
Next setting BHP: 1,159 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 400 ft
Injection pressure 400 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	400	8.625	24.00	J-55	ST&C	400	400	7.972	19.3
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	174	1370	7.853	400	2950	7.38	8	244	29.10 J

Prepared Clinton Dworshak
by: Utah Div. of Oil & MiningPhone: 801-538-5280
FAX: 810-359-3940Date: August 11, 2006
Salt Lake City, Utah**Remarks:**Collapse is based on a vertical depth of 400 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes.
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:

08-06 ConocoPhillips Utah 12-1163Operator: **ConocoPhillips Company**String type: **Production**

Project ID:

43-007-31199Location: **Carbon County****Design parameters:****Collapse**Mud weight: 8.600 ppg
Design is based on evacuated pipe.**Minimum design factors:****Collapse:**

Design factor 1.125

Burst:

Design factor 1.00

Environment:H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 101 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Cement top: Surface

BurstMax anticipated surface pressure: 848 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 1,159 psi

No backup mud specified.

Tension:8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Non-directional string.

Tension is based on buoyed weight.

Neutral point: 2,257 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	2595	5.5	17.00	N-80	LT&C	2595	2595	4.767	89.4
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	1159	6290	5.426	1159	7740	6.68	38	348	9.07 J

Prepared Clinton Dworshak
by: Utah Div. of Oil & MiningPhone: 801-538-5280
FAX: 810-359-3940Date: August 11, 2006
Salt Lake City, Utah**Remarks:**

Collapse is based on a vertical depth of 2595 ft, a mud weight of 8.6 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

ON-SITE PREDRILL EVALUATION
Division of Oil, Gas and Mining

OPERATOR: ConocoPhillips Company
WELL NAME & NUMBER: Utah 12-1163
API NUMBER: 43-007-31199
LEASE: State **FIELD/UNIT:** Drunkards Wash UTU-67921X
LOCATION: 1/4,1/4 NWSW **Sec:** 12 **TWP:** 15S **RNG:** 9E 2428 **FSL** 505 **FWL**
LEGAL WELL SITING: 460' from unit boundary and uncommitted tracts.
GPS COORD (UTM): X =511227 E; Y =4375906 N **SURFACE OWNER:** SITLA.

PARTICIPANTS

M. Jones (DOGM), Corey Wilcox, and Donna Williams (ConocoPhillips), Larry Johnson (TALON), Jim Davis (SITLA), and Bus Rich (NELCO) were in attendance. DWR and Carbon County were invited but chose not to attend.

REGIONAL/LOCAL SETTING & TOPOGRAPHY

Proposed location is ~3.7 miles southwest of Price, Utah near 4-mile hill. Dry washes and gullies are prominent in the area. The current surface use of the immediate area surrounding the proposed well is grazing and wildlife habitat. Access to this well will be along existing ConocoPhillips gas field roads and County maintained roads. The direct area drains to the east, into a dry wash tributary of Miller Creek, then further east eventually into the Price River, a year-round live water source.

SURFACE USE PLAN

CURRENT SURFACE USE: Grazing and wildlife habitat.

PROPOSED SURFACE DISTURBANCE: 175' x 235' w/ 50' x 50' x 10' (excluded) pit.

LOCATION OF EXISTING WELLS WITHIN A 1-MILE RADIUS: 21 producing, shut-in, SWD, and/or PA wells are within a 1-mile radius of the above proposed well.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: On location and along roadway.

SOURCE OF CONSTRUCTION MATERIAL: Obtained locally and trucked to site.

ANCILLARY FACILITIES: None anticipated.

WILL DRILLING AT THIS LOCATION GENERATE PUBLIC INTEREST OR CONCERNS? (EXPLAIN): No.

WASTE MANAGEMENT PLAN:

Portable chemical toilets which will be emptied into the municipal waste treatment system; garbage cans on location will be emptied into centralized dumpsters which will be emptied into an approved landfill.

Crude oil production is unlikely. Drilling fluid, completion / frac fluid and cuttings will be buried in the pit after evaporation and slashing the pit liner. Produced water will be gathered to the evaporation pit and eventually injected into the Navajo Sandstone via a salt-water disposal well. Used oil from drilling operations and support is hauled to a used oil recycler and reused.

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: Dry washes and gullies run throughout the area.

FLORA/FAUNA: grass, sage community.

SOIL TYPE AND CHARACTERISTICS: Mancos clay.

SURFACE FORMATION & CHARACTERISTICS: _____

EROSION/SEDIMENTATION/STABILITY: Erosive upon disturbance.

PALEONTOLOGICAL POTENTIAL: None observed.

RESERVE PIT

CHARACTERISTICS: Dugout earthen, 50'x50'x10', exterior to location.

LINER REQUIREMENTS (Site Ranking Form attached): None required.

SURFACE RESTORATION/RECLAMATION PLAN

As per surface use agreement.

SURFACE AGREEMENT: With SITLA lease.

CULTURAL RESOURCES/ARCHAEOLOGY: Submitted to SITLA and approved.

OTHER OBSERVATIONS/COMMENTS

ATTACHMENTS

Photos of this location were taken and placed on file.

Mark L. Jones
DOGM REPRESENTATIVE

July 26, 2006 / 11:00 am
DATE/TIME

**Evaluation Ranking Criteria and Ranking Score
For Reserve and Onsite Pit Liner Requirements**

<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>0</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>0</u>
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	20	<u>0</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u>0</u>
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>0</u>
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	10	
TDS >10000 or Oil Base Mud Fluid	15	
containing significant levels of hazardous constituents	20	<u>0</u>
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	<u>0</u>
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	<u>5</u>
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	<u>0</u>
Presence of Nearby Utility Conduits		
Not Present	0	
Unknown	10	
Present	15	<u>0</u>

Final Score 5 (Level III Sensitivity)

Sensitivity Level I = 20 or more; total containment is required, consider criteria for excluding pit use.

Sensitivity Level II = 15-19; lining is discretionary.

Sensitivity Level III = below 15; no specific lining is required.



[Online Services](#)

[Agency List](#)

[Business](#)



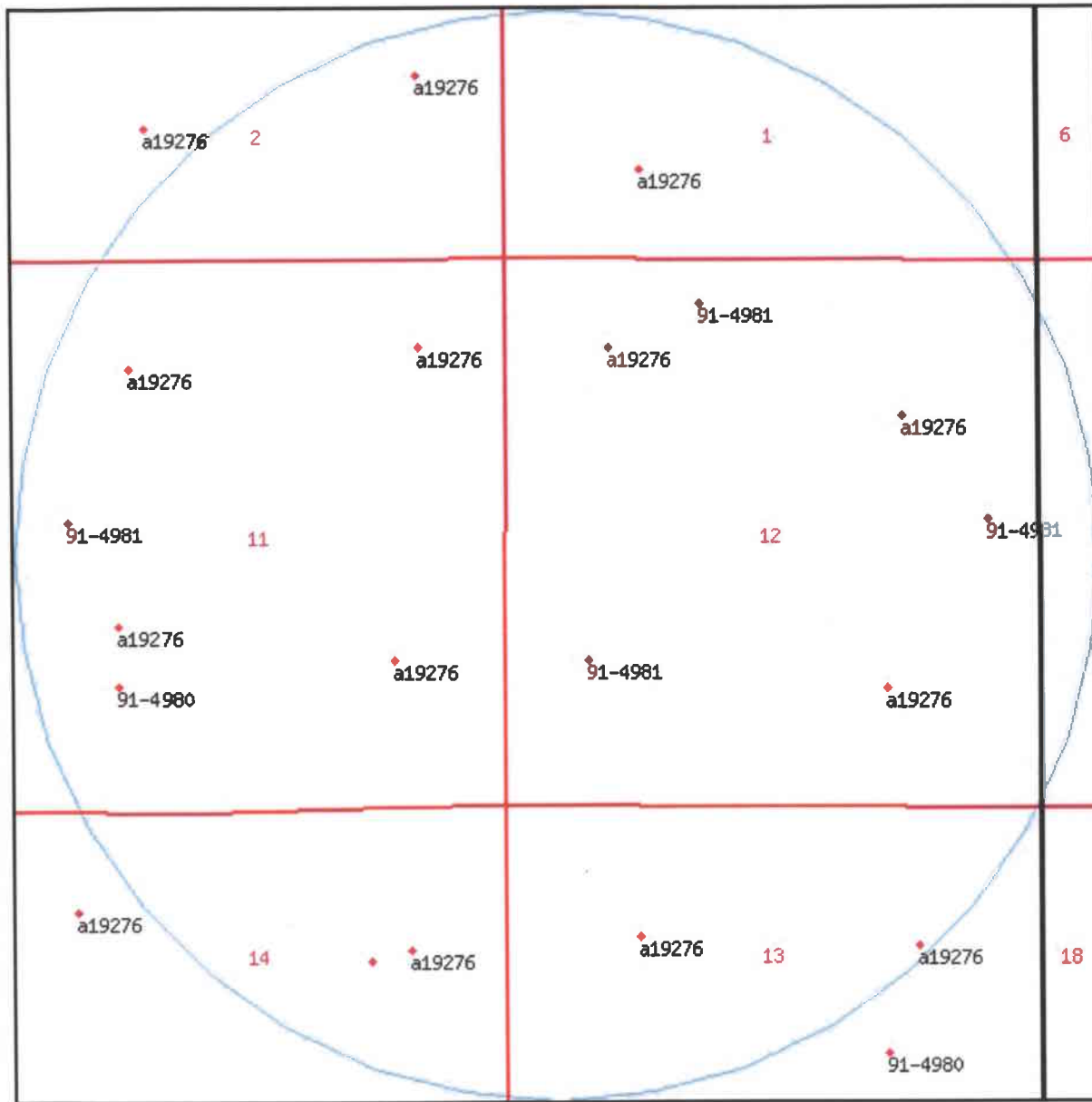
Search Utah.gov [GO](#)

UTAH DIVISION OF WATER RIGHTS

WRPLAT Program Output Listing

Version: 2004.12.30.00 Rundate: 08/08/2006 11:50 AM

Radius search of 5280 feet from a point N2428 E505 from the SW corner, section 12, Township 15S, Range 9E, SL b&m Criteria:wrtypes=W,C,E
podtypes=S,U,D,Sp status=U,A,P usetypes=all



0 700 1400 2100 2800 ft

Water Rights

WR Number	Diversion Type/Location	Well Log	Status	Priority	Uses	CFS	ACFT	Owner Name
91-4952	Underground S980 E1385 NW 14 15S 9E SL		A	19930623	IMOS	5.000	0.000	CONOCOPHILLIPS COMPANY P. O. BOX 851
91-4952	Underground N1780 E1800 SW 11 15S 9E SL		A	19930623	IMOS	5.000	0.000	CONOCOPHILLIPS COMPANY P. O. BOX 851
91-4952	Underground S1000 E1900 NW 11 15S 9E SL		A	19930623	IMOS	5.000	0.000	CONOCOPHILLIPS COMPANY P. O. BOX 851
91-4952	Underground N1320 E2080 SW 02 15S 9E SL		A	19930623	IMOS	5.000	0.000	CONOCOPHILLIPS COMPANY P. O. BOX 851
91-4952	Underground S1500 W1320 SW 12 15S 9E SL		A	19930623	IMOS	5.000	0.000	CONOCOPHILLIPS COMPANY P. O. BOX 851
91-4952	Underground N1400 W1100 SE 11 15S 9E SL		A	19930623	IMOS	5.000	0.000	CONOCOPHILLIPS COMPANY P. O. BOX 851
91-4952	Underground S1386 W931 NE 14 15S 9E SL		A	19930623	IMOS	5.000	0.000	CONOCOPHILLIPS COMPANY P. O. BOX 851
91-4952	Underground S860 W860 NE 11 15S 9E SL		A	19930623	IMOS	5.000	0.000	CONOCOPHILLIPS COMPANY P. O. BOX 851
91-4952	Underground N1780 W860 SE 02 15S 9E SL		A	19930623	IMOS	5.000	0.000	CONOCOPHILLIPS COMPANY P. O. BOX 851
91-4952	Underground S875 E1015 NW 12 15S 9E SL		A	19930623	IMOS	5.000	0.000	CONOCOPHILLIPS COMPANY P. O. BOX 851
91-4952	Underground S1276 E1301 NW 13 15S 9E SL		A	19930623	IMOS	5.000	0.000	CONOCOPHILLIPS COMPANY P. O. BOX 851

91-4952	Underground	A	19930623 IMOS 5.000 0.000	CONOCOPHILLIPS COMPANY P. O. BOX 851
	N860 E1320 SW 01 15S 9E SL			
91-4952	Underground	A	19930623 IMOS 5.000 0.000	CONOCOPHILLIPS COMPANY P. O. BOX 851
	N1158 W1494 SE 12 15S 9E SL			
91-4952	Underground	A	19930623 IMOS 5.000 0.000	CONOCOPHILLIPS COMPANY P. O. BOX 851
	S1500 W1320 NE 12 15S 9E SL			
91-4952	Underground	A	19930623 IMOS 5.000 0.000	CONOCOPHILLIPS COMPANY P. O. BOX 851
	S1320 W1200 NE 13 15S 9E SL			
91-4980	Surface	A	19960126 S 0.000 4.730	UTAH SCHOOL AND INSTITUTIONAL TRUST LANDS ADMIN. 675 EAST 500 SOUTH, 5TH FLOOR
	N1200 E1800 SW 11 15S 9E SL			
91-4980	Surface	A	19960126 S 0.000 4.730	UTAH SCHOOL AND INSTITUTIONAL TRUST LANDS ADMIN. 675 EAST 500 SOUTH, 5TH FLOOR
	S2350 W1500 NE 13 15S 9E SL			
91-4981	Surface	A	19951127 S 0.000 4.730	UTAH SCHOOL AND INSTITUTIONAL TRUST LANDS ADMIN. 675 EAST 500 SOUTH, 5TH FLOOR
	S2500 E1300 NW 11 15S 9E SL			
91-4981	Surface	A	19951127 S 0.000 4.730	UTAH SCHOOL AND INSTITUTIONAL TRUST LANDS ADMIN. 675 EAST 500 SOUTH, 5TH FLOOR
	N1400 E800 SW 12 15S 9E SL			
91-4981	Surface	A	19951127 S 0.000 4.730	UTAH SCHOOL AND INSTITUTIONAL TRUST LANDS ADMIN. 675 EAST 500 SOUTH, 5TH FLOOR
	S450 E1900 NW 12 15S 9E SL			

91-4981	Surface	A	19951127 S	0.000 4.730	UTAH SCHOOL AND INSTITUTIONAL TRUST LANDS ADMIN. 675 EAST 500 SOUTH, 5TH FLOOR
	S2500 W500 NE 12 15S 9E SL				
a19276	Underground	A	19950831 IMS	5.000 0.000	CONOCOPHILLIPS COMPANY P. O. BOX 851
	S980 E1385 NW 14 15S 9E SL				
a19276	Underground	A	19950831 IMS	5.000 0.000	CONOCOPHILLIPS COMPANY P. O. BOX 851
	N1780 E1800 SW 11 15S 9E SL				
a19276	Underground	A	19950831 IMS	5.000 0.000	CONOCOPHILLIPS COMPANY P. O. BOX 851
	S1000 E1900 NW 11 15S 9E SL				
a19276	Underground	A	19950831 IMS	5.000 0.000	CONOCOPHILLIPS COMPANY P. O. BOX 851
	N1320 E2080 SW 02 15S 9E SL				
a19276	Underground	A	19950831 IMS	5.000 0.000	CONOCOPHILLIPS COMPANY P. O. BOX 851
	S1500 W1320 SW 12 15S 9E SL				
a19276	Underground	A	19950831 IMS	5.000 0.000	CONOCOPHILLIPS COMPANY P. O. BOX 851
	N1400 W1100 SE 11 15S 9E SL				
a19276	Underground	A	19950831 IMS	5.000 0.000	CONOCOPHILLIPS COMPANY P. O. BOX 851
	S1386 W931 NE 14 15S 9E SL				
a19276	Underground	A	19950831 IMS	5.000 0.000	CONOCOPHILLIPS COMPANY P. O. BOX 851
	S860 W860 NE 11 15S 9E SL				
a19276	Underground	A	19950831 IMS	5.000 0.000	CONOCOPHILLIPS COMPANY P. O. BOX 851
	N1780 W860 SE 02 15S 9E SL				
a19276	Underground	A	19950831 IMS	5.000 0.000	CONOCOPHILLIPS COMPANY P. O. BOX 851
	S875 E1015 NW 12 15S 9E SL				

a19276	Underground S1276 E1301 NW 13 15S 9E SL	A	19950831 IMS	5.000 0.000	CONOCOPHILLIPS COMPANY P. O. BOX 851
a19276	Underground N860 E1320 SW 01 15S 9E SL	A	19950831 IMS	5.000 0.000	CONOCOPHILLIPS COMPANY P. O. BOX 851
a19276	Underground N1158 W1494 SE 12 15S 9E SL	A	19950831 IMS	5.000 0.000	CONOCOPHILLIPS COMPANY P. O. BOX 851
a19276	Underground S1500 W1320 NE 12 15S 9E SL	A	19950831 IMS	5.000 0.000	CONOCOPHILLIPS COMPANY P. O. BOX 851
a19276	Underground S1320 W1200 NE 13 15S 9E SL	A	19950831 IMS	5.000 0.000	CONOCOPHILLIPS COMPANY P. O. BOX 851

[Natural Resources](#) | [Contact](#) | [Disclaimer](#) | [Privacy Policy](#) | [Accessibility Policy](#)

From: Ed Bonner
To: Whitney, Diana
Date: 7/19/2006 2:30:06 PM
Subject: Well Clearance

The following wells have been given cultural resource clearance by the Trust Lands Cultural Resources Group:

ConocoPhillips Company

Utah 1-1129
Utah 1-1130
Utah 1-1131
Utah 1-1132
Utah 2-1136
Utah 12-1160
Utah 12-1163
Utah 30-1088 (revised Location)
Utah 17-1176 (revised location)
Utah 17-1177

EOG Resources, Inc

CWU 955-32
CWU 954-32
CWU 1031-32
NBU 456-2E
Petes Wash Unit 9-36

Summit Operating, LLC

State 10-32-13-22
State 8-36-13-22
State 2-36-13-22

XTO Energy, Inc

State of Utah 18-7-2-33R
State of Utah 17-7-36-21
State of Utah 17-7-36-33R

If you have any questions regarding this matter please give me a call.

CC: Davis, Jim; Garrison, LaVonne; Hill, Brad; Hunt, Gil

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:
3160
(UT-922)

June 7, 2006

Memorandum

To: Assistant Field Office Manager Resources,
Moab Field Office

From: Michael Coulthard, Petroleum Engineer

Subject: 2006 Plan of Development Drunkard's Wash Unit Carbon
County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2006 within the Drunkard's Wash Unit, Carbon County, Utah.

API #	WELL NAME	LOCATION
-------	-----------	----------

(Proposed PZ Ferron)

43-007-31202 Utah 1-1132 Sec 01 T15S R09E 0282 FSL 0217 FWL
43-007-31201 Utah 2-1136 Sec 02 T15S R09E 0439 FSL 2346 FEL
43-007-31203 Utah 1-1131 Sec 01 T15S R09E 2102 FNL 0808 FEL
43-007-31204 Utah 1-1130 Sec 01 T15S R09E 2274 FNL 1693 FWL
43-007-31205 Utah 1-1129 Sec 01 T15S R09E 2266 FNL 0378 FWL
43-007-31199 Utah 12-1163 Sec 12 T15S R09E 2428 FSL 0505 FWL
43-007-31200 Utah 12-1160 Sec 12 T15S R09E 0264 FNL 1854 FWL

The 29-1088 in the 2006 Plan of Development approved March 1, 2006 dated February 24, 2006 has moved and the name has changed to:

43-007-31162 Utah 30-1088 Sec 30 T14S R10E 0584 FSL 0783 FEL

This office has no objection to permitting the wells at this time.

/s/ Michael L. Coulthard



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

August 21, 2006

ConocoPhillips Company
P O Box 51810
Midland, TX 79710

Re: Utah 12-1163 Well, 2428' FSL, 505' FWL, NW SW, Sec. 12, T. 15 South,
R. 9 East, Carbon County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-007-31199.

Sincerely,

A handwritten signature in black ink, appearing to read "Gil Hunt".

Gil Hunt
Associate Director

pab
Enclosures

cc: Carbon County Assessor
SITLA
Bureau of Land Management, Moab District Office

Operator: ConocoPhillips Company
Well Name & Number Utah 12-1163
API Number: 43-007-31199
Lease: ML-38665

Location: NW SW **Sec.** 12 **T.** 15 South **R.** 9 East

Conditions of Approval

1. **General**

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for Permit to Drill.

2. **Notification Requirements**

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- 24 hours prior to cementing or testing casing
- 24 hours prior to testing blowout prevention equipment
- 24 hours prior to spudding the well
- within 24 hours of any emergency changes made to the approved drilling program
- prior to commencing operations to plug and abandon the well

The following are Division of Oil, Gas and Mining contacts and their work telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at (801) 538-5338
- Carol Daniels at (801) 538-5284 (spud)

3. **Reporting Requirements**

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.

5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-38665
2. NAME OF OPERATOR: ConocoPhillips Company		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: P. O. Box 51810 CITY Midland STATE TX ZIP 79710-1810		7. UNIT or CA AGREEMENT NAME: Drunkards Wash UTU-67921X
PHONE NUMBER: (432) 688-6943		8. WELL NAME and NUMBER: Utah 12-1163
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2428' FSL and 505' FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 12 15S 9E		9. API NUMBER: 4300731199
		10. FIELD AND POOL, OR WILDCAT: Drunkards Wash
		COUNTY: Carbon
		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: 8/21/2007	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: APD Renewal
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

ConocoPhillips Company respectfully requests that the approval of the Application for Permit to Drill for the referenced well be extended. The current approval expires August 21, 2007.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 07-16-07
By: [Signature]

NAME (PLEASE PRINT) Donna Williams	TITLE Sr. Regulatory Specialist
SIGNATURE [Signature]	DATE 7/12/2007

(This space for State use only)

RECEIVED
JUL 16 2007

DIV. OF OIL, GAS & MINING

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 43-007-31199
Well Name: Utah 12-1163
Location: NWSW Sec 12, 15S, 9E, Carbon County
Company Permit Issued to: ConocoPhillips Company
Date Original Permit Issued: 8/21/2006

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☒

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒

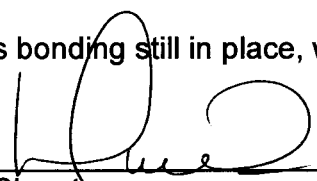
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐


Signature

7/12/2007

Date

Title: Sr. Regulatory Specialist

Representing: ConocoPhillips Company

RECEIVED
JUL 16 2007

DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-38665
2. NAME OF OPERATOR: ConocoPhillips Company		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: NA
3. ADDRESS OF OPERATOR: P. O. Box 51810 CITY Midland STATE TX ZIP 79710-1810		7. UNIT or CA AGREEMENT NAME: Drunkards Wash UTU-67921X
PHONE NUMBER: (432) 688-6943		8. WELL NAME and NUMBER: Utah 12-1163
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2428' FSL and 505' FWL		9. API NUMBER: 4300731199
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 12 15S 9E		10. FIELD AND POOL, OR WILDCAT: Drunkards Wash
COUNTY: Carbon		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: 7/16/2008	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
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	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: APD Renewal
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

ConocoPhillips Company respectfully requests that the approval of the Application for Permit to Drill for the referenced well be extended. The current approval expires July 16, 2008.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 06-18-08
By: [Signature]

COPY SENT TO OPERATOR

Date: 6.19.2008
Initials: KS

NAME (PLEASE PRINT) Donna Williams	TITLE Sr. Regulatory Specialist
SIGNATURE [Signature]	DATE 6/12/2008

(This space for State use only)

RECEIVED
JUN 16 2008
DIV. OF OIL, GAS & MINING

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 43-007-31199
Well Name: Utah 12-1163
Location: NWSW Sec 12, R15S, T9E, Carbon County
Company Permit Issued to: ConocoPhillips Company
Date Original Permit Issued: 8/21/2006

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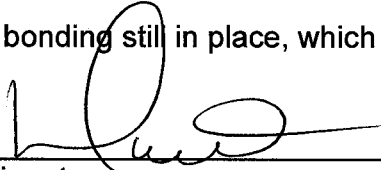
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

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Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐



Signature

6/12/2008

Date

Title: Sr. Regulatory Specialist

Representing: ConocoPhillips Company

RECEIVED
JUN 16 2008
DIV. OF OIL, GAS & MINING



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

July 1, 2009

ConocoPhillips Company
P O Box 851
Price, UT 84501

Re: APD Rescinded -- UTAH 12-1163, Sec. 12, T. 15S, R. 9E
Carbon County, Utah API No. 43-007-31199

Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on August 21, 2006. On July 16, 2007 and June 18, 2008, the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective July 1, 2009.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Mason
Environmental Scientist

cc: Well File
SITLA, Ed Bonner

